



News Release from Congressman

ROB SIMMONS

SECOND DISTRICT, CONNECTICUT

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SIMMONS CALLS FOR PASSAGE OF TAX RELIEF BILL

NORWICH - Connecticut's working families, small businesses and manufacturers will face stiff tax increases unless Congress wraps up pending tax legislation, Congressman Rob Simmons R-2nd District, said today.

Making stops in Glastonbury, Madison and Gales Ferry, Simmons called on Congress to wrap up consideration of H.R. 4297, "The Tax Relief Extension Act," which will extend critical tax relief. The bill passed the House and the Senate late last year. Conference negotiations are on-going.

Simmons said, "Extending these tax breaks is essential. Connecticut is the most heavily taxed state in the nation but hundreds of thousands of Connecticut taxpayers, businesses and manufacturers are paying less in taxes thanks to legislation passed and signed into law in 2001 and 2003. Today, we need to make this tax relief permanent, otherwise taxpayers will face tax increases and that's bad for families, businesses and the overall economy."

H.R. 4297 prevents dangerous tax increases on income from dividends and the sale of investments. The tax relief measure also extends the increased amount of purchases that small businesses may make; extends through 2008 the Saver's Credit for low-income workers who contribute to certain retirement and pension plans; extends by one year the Work Opportunity Tax Credit that is aimed at employers who hire targeted workers and allows older food stamp recipients to be eligible; provides a one-year extension of provisions that allow taxpayers to claim certain tax credits against the alternative minimum tax; extends by one year the deduction for higher education expenses; extends by one year the deduction of up to \$250 in out-of-pocket classroom expenses for teachers.

Joining Simmons call in support of H.R. 4297 was Kristin Muschett, President and CEO of Habco, Inc., in Glastonbury. Ms. Muschett said, "The R&D tax credit and expensing for small businesses provisions under H.R. 4297 have been invaluable in helping us develop testing and support equipment as the military needs it. The R&D tax credit enabled us to engineer a new oil filtration system that can potentially save millions of U.S. military dollars by significantly reducing transmission failure rates in rotary aircraft."

The facts tell the story regarding Connecticut's heavy tax burden. While the average U.S. Tax Freedom Day is April 17, Connecticut residents must work until May 1 before celebrating their Tax Freedom Day. When added together, our state and federal tax burden consumes 33.5 percent of all earned income - the highest in America.

Simmons said, "When I served in the Connecticut State Legislature I opposed the state income tax and the state gas tax. I have carried the fight for lower taxes to Congress and will continue to work to ensure that Connecticut's working families do not get stuck with a larger tax bill next April. We need to extend these tax cuts and we need to make them permanent."

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